

Then, with regard to the public sector units in backward areas, there again, this is the only problem. If the public sector units which want to expand, are able to generate a surplus, then certainly we will consider giving preference to backward areas subject to techno economic considerations.

[Translation]

**Cooperation of American Trading
~~Foreign~~ Companies**

803. SHRIMATI SHEELA GAUTAM:
SHRI RAJESH KUMAR:

Will the PRIME MINISTER be pleased to state:

(a) whether several American trading companies have offered to extend their cooperation to the Indian firms in the field of domestic items;

(b) if so, the details of such American companies, the names of the Indian Companies assisting them and the products for which cooperation is being offered; and

(c) the reaction of the Union Government in this regard?

[English]

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF. P.J. KURIEN): (a) to (c). A statement is laid on the table of the House.

STATEMENT

(a) to (c). Policy initiatives liberalising the provisions and simplifying the procedures for collaboration with foreign companies, including trading companies primarily engaged in export activities, as spelt out in the Statement on Industrial Policy tabled in both Houses of Parliament on 24th July, 1991, have generated considerable interest amongst foreign companies of many countries including those from the U.S.A.

Foreign collaboration agreements are negotiated and finalised by the parties concerned. Government comes into the picture only when an application is submitted for approval of the collaboration. Since the announcement of the New Industrial Policy, 220 proposals for foreign collaboration with American companies have been accorded approval till the end of March, 1992. Of these, 79 proposals envisaged foreign investment by American companies in the equity capital of Indian companies amounting to over Rs. 390 crores. One of these proposals is for investment in a trading company primarily engaged in export activities.

The details of approved foreign collaboration proposals viz., name of the Indian Company, name of the foreign collaborator, the nature of collaboration and items of manufacture are published by the Indian Investment Centre, New Delhi, as a supplement to its monthly Newsletter. Copies of these publications are sent to the Parliament Library regularly.

[Translation]

SHRIMATI SHEELA GAUTAM: Mr. Speaker, Sir, through you, I would like to know from the hon. Minister the names of the American and Indian companies in whose favour 220 proposals for foreign collaboration have been accorded approval by the Government alongwith the names of the consumer items for the production of which these proposals have been cleared? What will be their separate share in the total capital investment and in what proportion the profits and costs will be shared?

[English]

PROF. P.J. KURIEN: Sir, the hon. Member is asking about 220 proposals and their details. I have got them with me and I can supply it to the hon. Member. If I start reading them, it will take along time to complete.

MR. SPEAKER: All right.

[Translation]

SHRIMATI SHEELA GAUTAM: Mr. Speaker, Sir, what steps the Government proposes to take if the items manufactured in America are cheaper in the international market than those manufactured in India as it will affect the market of Indian goods? How the Government will determine the prices of goods manufactured in collaboration with American companies and how Government will put restrictions on them so that the Indian goods remain competitive in the international market?

[English]

PROF. P.J. KURIEN: Sir, even if the items manufactured in America are cheaper than those manufactured in India, that will not affect us. It is because we have a negative list which includes most of the consumer goods which cannot be imported. So, they will not affect us. With regard to the proposals of joint collaboration with America or any other country, whether manufacturing takes places in our country or not, our intention is to reduce the cost of production. That is what we are aiming at and that is what we want to do. Unless we reduce the cost of production, how can our goods be competitive in the world market? We want to export and we want to earn foreign exchange and the only way for that is to reduce the cost of production by getting technology wherever it is possible and suitable for us. Therefore, our intention is to reduce the cost of production. The cost of production in the joint ventures of any other project is reduced. That is a good sign and that is what we want.

SHRI MUMTAZ ANSARI: As per the statement made by the hon. Minister, it is clear that 220 proposals have been accepted for foreign collaboration with American companies.

I would like to know from the hon. Minister about the equity ratio of such companies. I want to know whether such foreign companies will be functioning as subsidiary or holding companies. If certain companies

will be declared as holding companies, will they be controlling the entire management and pricing system?

MR. SPEAKER: It is already there in the answer.

PROF. P.J. KURIEN: I can answer him with regard to equity ratio.

Out of the 220 proposals, some are cleared through RBI route. These proposals get automatic clearance if they are in Annexure III list. All of them carry upto 51 per cent equity. Others are cleared by SIA and FIPB on merit. Some of them carry more than 51 per cent of equity and some carry less. Out of these 220 proposals, 79 are financial investment proposals and the total foreign equity approved in these cases is just a little above Rs. 390 crore.

Demand and Supply of Essential Commodities

*806. **SHRI RAM NARAIN BERWA:** Will the PRIME MINISTER be pleased to state:

(a) whether the Government have made an assessment of the annual demand and supply of essential commodities under the new Public Distribution System;

(b) whether the essential commodities have been supplied as per the requirement of consumers; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI KAMALUDDIN AHMED): (a) to (c). A statement is laid on the Table of the House.

STATEMENT

According to estimates worked out by this Ministry about 18 million tonnes of food grains (Rice & Wheat) would be required to sustain the Public Distribution System (PDS)